OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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August 05, 2013

Re: LR-13-029; Sales Tax Inquiry

Dear

This letter is in response to your request regarding Oklahoma sales tax. Set forth verbatim are the facts presented along with the response thereto.

Facts:

Our company generally sells extended warranties for transmissions; however we have approached by a competing dealer who wants to buy our extended warrantees and resell them to their customers.

Question:

Would the purchase of an extended or optional warranty contract be considered exempt from sales tax when our customer will ultimately be reselling the contract?

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Response:

Pursuant to OAC 710:65-19-365(c), copy enclosed, a separately stated charge for an optional maintenance/warranty agreement is not subject to Oklahoma sales tax.

This response applies only to the circumstances discussed in your written request of May 10, 2013. Pursuant to Commission Rule 710:1-3-73(e), this Letter ruling may be generally relied upon only by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

Marc Morrison

Marc Morrison
Tax Policy Analyst